

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN**

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IN RE:	Chapter 11
DEATH'S DOOR SPIRITS, LLC,	Case No.: 18-13912
DEATH'S DOOR DISTILLERY, LLC;	Case No.: 18-13915
Debtors.	

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**AFFIDAVIT OF REBECCA R. DeMARB  
IN SUPPORT OF SALE APPROVAL ORDER**

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STATE OF WISCONSIN            )  
  ) ss.  
COUNTY OF DANE            )

Rebecca R. DeMarb, being first duly sworn, on oath deposes and says:

1. I am a member of the law firm of DeMarb Brophy LLC ("DB LLC") whose primary address is 1 North Pinckney Street, Suite 300, Madison, WI 53703, and I am duly licensed to practice law in this Court.

2. I have served as insolvency counsel for Debtors since early in 2018. My application to be employed as bankruptcy counsel effective as of the Petition Date is pending before this Court.

3. Except as otherwise indicated, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify thereto.

4. This Affidavit is being filed in support of the Second Amended Motion for Two Orders: (1) Approving Sale Procedures, Form of the APA, Break-Up Fee and Scheduling Sale Approval; and (2) Authorizing Debtors to Sell Assets Free and Clear

of Liens, Claims, Interests and Encumbrances (the "Sale Motion")(Docket # 40) and in support of the entry of the proposed Order (1) Authorizing Sale of Assets Free and Clear of Liens, Claims, Interests, and Encumbrances; (2) Authorizing Assumption and Assignment of Certain Unexpired Leases and Executory Contracts; and (3) Approving Changes to Debtors' Names and Modifications to Caption (the "Sale Approval Order")(Docket #122), as revised.

5. Pursuant to the Order Approving and Setting Sale Procedures and Scheduling Sale Approval Hearing entered on December 4, 2018 (the "Sale Procedures Order")(Docket # 69), I sent a copy of the Sale Procedures Order, with the attached Sale Procedures, to all known creditors and parties in interest pursuant to the Affidavit of Service on file with the Court (Docket #75). In addition, I either sent, or was copied on emails sending, the Sale Procedures Order to approximately 58 different parties.

6. My office staffed and managed the "data room" for potential buyers. The data room contained a wide variety of information for potential buyers to review, and my staff and I were adding to the data room almost daily. The data room included pleadings, financial information and tax returns, contracts, agreements on leases, permit information, answers to written questions posed by a specific interested buyer, information on the letter of credit and bond, the Asset Purchase Agreement ("APA") from CDF Capital, LLC (the "Stalking Horse") in Microsoft Word and the financial analysis I received from the Stalking Horse after the hearing held on November 30, 2018.

7. To receive access to the data room, interested parties needed to return a form Non-Disclosure Agreement with the Debtors (the "NDA"). I received signed NDAs from twenty-three (23) different buyer groups and my staff gave these parties access to the data room.

8. I received three (3) Offer Packages from parties interested in making an offer (the "Bidders") by the Submittal Deadline. All Bidders were decided to be Qualified Bidders pursuant to the Sale Procedures Order.

9. The Auction required by the Sale Procedures Order was held on December 20, 2018, beginning at 1:20 p.m., at the offices of DeMarb Brophy LLC, 1 N. Pinckney St., Suite 300, Madison, Wisconsin. I personally attended and conducted the Auction. A sign-in sheet from the Auction is attached hereto as Exhibit A.

10. Three potential buyers participated in the Auction, Vintage Wine Estates ("VWE"), Midwest Custom Bottling ("MCB") and the Stalking Horse. VWE and the Stalking Horse agreed to assume all three of the Leases related to the three Agreements to Assume and Assign Leases and Set Cure Payment on file with the Court as Docket Nos. 92, 95 and 113 (the "Leases"). At the beginning of the Auction, MCB did not bid to assume and assign any of the Leases. In round 8 of the Auction, MCB agreed to assume and assign all of the Leases except for the Total Water Lease (Docket No. 113). Accordingly, the bids were adjusted to account for the changes in the unsecured and administrative creditor body due to the Lease decisions.

11. Bidding at the Auction was competitive and lasted approximately five (5) hours. In total, the bidding included twenty-four (24) rounds of bidding. For the

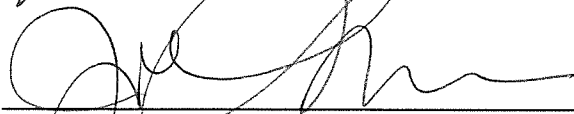
first seventeen (17) rounds of bids, three parties were taking an active role in the Auction, although one of them passed their opportunity to bid several rounds. In the 18<sup>th</sup> round, the Stalking Horse stopped bidding. Bidding continued for an additional six (6) rounds and at the end of the 24<sup>th</sup> round, MCB bid the Winning Bid of \$2,485,000 plus the Inventory Amount, assuming the Distillery and Warehouse Leases (Dockets 92 and 95), but not the Total Water Lease (Docket 113)..

12. The Auction was conducted according to the Sale Procedures Order.



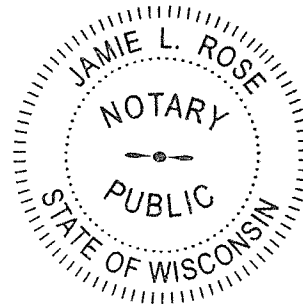
Rebecca R. DeMarb

Subscribed and sworn to before me this  
20<sup>th</sup> day of December, 2018.



Notary Public, State of Wisconsin

My Commission Expires: Feb 23, 2022



**Death's Door Spirits, LLC**  
**Death's Door Distillery, LLC**  
**Auction Sign-in**  
**December 20, 2018**

**EXHIBIT A**

NAME	AFFILIATED BUYER	TITLE
Forrest Lammiman	CDF Capital	Attney
Timothy Conning	CDF CAPITAL	PARTNER
ALEC LEE	CDF CAPITAL	-
Vito MITRIA	CDF CAPITAL	APUSN
John Glasgow	CDF Capital	Attorney
David Pelletier	Axley Byrdson	Attorney
BRIAN ELLSON	DEATH'S DOOR	PRESIDENT
D.B. Maas	<del>DEAD</del> MCB	<del>DEAD</del> Consultant
T.J. Maas	MCB	Att.
Travis Hasse	MCB	Consultant
Tom Maas	MCB	Chairman/Managing Member
Erin West	MCB	Attorney
Ann Ustad Smith	VWE	Attorney
Jamie Rose	DeMarb Brophy	paralegal
Eric Ristan	DeMarb Brophy	Attorney
Olivia Mote	DeMarb Brophy	Attorney
Kimberly Sebastian	DeMarb Brophy	Attorney
<del>Robert</del>	DeMarb Brophy LLC	Attorney
Svenne Roney	DeMarb Brophy	Attorney